

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6946

BILL NUMBER: SB 330

NOTE PREPARED: Dec 30, 2010

BILL AMENDED:

SUBJECT: Local Government Ethics.

FIRST AUTHOR: Sen. Arnold

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Ethics Ordinance-* The bill establishes ethics requirements for officers and employees of political subdivisions. The bill authorizes a political subdivision to adopt a local ethics ordinance. The bill requires that a local ethics ordinance must establish a local ethics commission. The bill provides that a local ethics ordinance may impose requirements that exceed the requirements of the statute and are not inconsistent with the statute. The bill requires local officers, employees, and special appointees to file annual statements of economic interests.

Registration of Lobbyists- The bill requires registration and reporting by persons who seek to have or have a business relationship with a political subdivision. The bill provides that the statements of economic interests and the lobbyist registration and reporting requirements apply even if a political subdivision does not adopt a local ethics ordinance.

Class A Infraction- The bill provides that failure to file statements of economic interests and lobbyist registration and activity reports is a Class A infraction.

Effective Date: July 1, 2011.

Explanation of State Expenditures: Under the provisions of the bill, the State Board of Accounts (SBA) would be required to prescribe the forms for registration and report statements for local lobbyists. It is likely the SBA would be able to prescribe new forms within their existing level of resources.

Explanation of State Revenues: *Class A Infraction-* The maximum judgment for a Class A infraction is \$10,000, which would be deposited in the state General Fund. However, any additional revenue is likely to

be small.

Explanation of Local Expenditures: County clerks would see an increase in responsibilities under the bill. Clerks would be charged with the filing of lobbyist registration and activity forms. Forms for both could be provided on the county clerk's website to reduce the cost of printing.

There could also be an increase in local expenditures if local ethics commissions hold hearings on violations of the ethics ordinance adopted by their county. Commission size, method of appointing members, and procedural action of the commission would be determined in the ordinance. The bill does not specify if a commission member would be compensated for their duty. The impact of this provision would depend on the contents of the ordinances adopted.

Explanation of Local Revenues: *Ethics Ordinance-* Ethics commissions that find violations of a local ethics ordinance could impose civil penalties on the violator not exceeding three times the value of any benefit received from the violation. All penalties under this provision would be deposited in an adopting political subdivision's general fund.

Registration of Lobbyists- The bill would allow county clerks to impose a penalty of \$100 per day for each day that a person required to file a lobbyist activity report fails to file the report. The total penalty per report could not exceed \$4,500. Penalties would be placed in the county general fund.

Registration Fees- County commissioners could set a fee for lobbyist registration. Fees would be placed in the county general fund.

Class A Infraction- If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: State Board of Accounts; Attorney General.

Local Agencies Affected: Trial courts, local law enforcement agencies, county prosecutors, political subdivisions, county commissioners, county clerks.

Information Sources:

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